

NORTH CAROLINA BANKERS ASSOCIATION



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September 21, 2005

DELIVERED VIA E-MAIL

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Re: Electronic Fund Transfers, 70 Fed. Reg. 164, 49891 (August 25, 2005)

Dear Ms. Johnson:

The North Carolina Bankers Association is pleased to submit our comments on the Federal Reserve Board's proposed changes to Regulation E (12 CFR Part 205). Section 205.16 currently provides that an ATM operator that imposes a fee on a consumer for initiating an electronic fund transfer (EFT) or a balance inquiry must post a notice at ATMs indicating that a fee *will* be imposed. As the Board has noted in its proposal, there may be circumstances in which an ATM fee will not be charged for such services. The Board's proposal would clarify Section 205.16 by providing that ATM operators may disclose in all cases that a fee will be imposed, or in the alternative, disclose that a fee *may* be imposed on consumers initiating an EFT or balance inquiry if there are circumstances when consumers would not be charged for those services. Conforming changes would also be made to Comment 16(b)(1).

On behalf of its 144 member banks, savings institutions, and trust companies, the NCBA supports the proposed changes to Section 205.16 and to the commentary. The Board's proposal would reduce confusion and would allow ATM operators to be more precise when meeting their disclosure obligations.

If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

A handwritten signature in black ink that reads "Nathan R. Batts".

Nathan R. Batts
Associate Counsel